



21 February 2017

Mr Peter Marshall
Branch Secretary
United Firefighters' Union of Australia – Victorian Branch
410 Brunswick Street
FITZROY VIC 3065

via email: p.marshall@ufuVIC.asn.au
pa@ufuVIC.asn.au

Dear Mr Marshall

United Firefighters' Union of Australia Victorian Branch Financial Report for the year ended 30 June 2016 - [FR2016/262]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the United Firefighters' Union of Australia Victorian Branch (**the reporting unit**). The financial report was lodged with the Fair Work Commission (**FWC**) on 21 December 2016. I also acknowledge the Designated Officer's Certificate that was lodged with the FWC on 19 January 2017 and the supplementary information in relation to trade receivables that was provided by the auditor firm Agostinelli Perlen Pty Ltd on 2 February 2017.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Related Party Disclosures

Note 7 *Trade and Other Receivables* identifies a trade receivable from the United Firefighters' Union of Australia National Office (**UFUA**) of \$11,000 for 2016 and \$1,100 for 2015. Note 19 *Related Party Transactions* however only discloses the trade receivable from the UFUA in the 2015 financial year and reports 'nil' for 2016.

Please ensure in future years that information is consistently disclosed throughout the financial report.

Trade and Other Receivables

The auditor firm Agostinelli Perlen Pty Ltd provided further information to the FWC on 2 February 2017 in relation to the trade receivable disclosed in Note 7 as "other related party assets". They

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confirmed that this is not in fact a related party transaction and the item has been incorrectly described in the financial report.

As I identified in my email to you on 20 February 2017 in future years please ensure that the description provided in Note 7 for what is currently titled "other related party assets" accurately conveys the nature of this item.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

From: FENWICK, Joanne
Sent: Monday, 20 February 2017 4:27 PM
To: 'John Agostinelli'
Cc: Peter Marshall (p.marshall@ufuvic.asn.au)
Subject: RE: United Firefighters Union-Victorian Branch

Dear Mr Agostinelli

Thank you for your correspondence in relation to the matter I raised on 18 January 2017. In relation to the financial statements that were lodged with the Fair Work Commission on 21 December 2016, the Commission does not require the UFUA Victoria Branch to lodge amended financial statement which would provide a new description against this item, however the financial report lodged relating to the financial year ending 30 June 2017 should contain the relevant description of this item.

I do not believe however that changing the description of this item from "other related party assets" to "other assets" accurately reflects that nature of this item. This is a material item and should be separately disclosed with a description that will provide the users with an understanding of the nature of this item. "Other assets" is not an appropriate title for this item.

Regards

JOANNE FENWICK
Financial Reporting Specialist
Regulatory Compliance Branch

Fair Work Commission
Tel: (03) 8656 4681
Fax: (03) 9655 0410
joanne.fenwick@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000 GPO Box 1994, Melbourne Victoria 3001

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-----Original Message-----

From: John Agostinelli [mailto:John@agpe.com.au]
Sent: Thursday, 2 February 2017 10:08 AM
To: FENWICK, Joanne
Cc: Peter Marshall (p.marshall@ufuvic.asn.au)
Subject: United Firefighters Union-Victorian Branch

Dear Ms Fenwick

Please refer to the attached correspondence.

With thanks

John Agostinelli
Agostinelli Perlen Pty Ltd Chartered Accountants

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Sent: Thursday, 2 February 2017 10:04 AM

To: John Agostinelli <John@agpe.com.au>

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Device Name: DocuCentre-V C7776

Device Location:

31 January 2017

Strictly Private & Confidential

Ms Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch
Fair Work Commission

Joanne.fenwick@fwc.gov.au

Dear Ms Fenwick

UFUA Victoria Branch – FR2016/262

Thank you for bringing this matter to our attention on your email dated 18 January 2017 to Trudie Webber and Peter Marshall. We advise the following:

The amount of \$81,773 disclosed in Note 7 Trade and Other Receivables as “Receivables from other related parties” is not a related party as per the definition in AASB 124. This receivable relates to an advance on salary sacrifice arrangements for employees of the Union.

We would like to amend the financials to change the disclosure to “other assets” instead of “other related party assets”. Please confirm if once we have this approved by Committee of Management it is acceptable.

Should you have any queries please contact John Agostinelli of our office.

Yours sincerely



AGOSTINELLI PERLEN PTY LTD

UFF001 : Ref 324869_1

United Firefighters Union of Australia Victorian Branch

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the period ended *June 30 2016*

I Peter Marshall being the Secretary of the United Firefighters Union of Australia Victorian Branch certify:

- that the documents lodged herewith are copies of the full report of the general purpose financial report for the year ended 30 June 2016 for the United Firefighters Union of Australia Victorian Branch referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the general purpose financial report for the year ended 30 June 2016 was provided to members of the reporting unit on November 30, 2016 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 16th December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Peter Marshall

Title of prescribed designated officer: Victorian Branch Secretary

Dated: 21 December 2016

From: FENWICK, Joanne
Sent: Wednesday, 18 January 2017 4:57 PM
To: 'Trudie Webber'
Cc: 'p.marshall@ufuvic.asn.au'
Subject: UFUA Victorian Branch - FR2016/262

Good afternoon Trudie

I am just in the process of assessing the financial return for the UFUA Victorian Branch however I have just noticed that the Designated Officer's Certificate has not been included with the financial report that was lodged with the Fair Work Commission on 21 December 2016. Can you please arrange for this document to be submitted to me so I can continue my assessment of the report.

During my initial assessment I have noted that under Note 7 Trade and Other Receivables that under 'Other Receivables' and amount is disclosed relating to a 'Receivables from other related parties'. It is unclear from the financial report who these 'other related parties' are as the disclosure requirements as per AASB 124 Related Party Disclosures paragraph 18 have not been fully addressed. Can you please arrange for further information to be provided to me in relation to this item.

Regards

JOANNE FENWICK
Financial Reporting Specialist
Regulatory Compliance Branch

Fair Work Commission
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UNITED FIREFIGHTERS UNION OF AUSTRALIA – VICTORIAN BRANCH

ABN 74 030 569 265

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**UNITED FIREFIGHTERS' UNION OF AUSTRALIA VICTORIAN BRANCH
ABN 74 030 569 265**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

OPERATING REPORT
30 JUNE 2016

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 ("the Act"), your Committee of Management present their report on the Union for the financial year ended 30 June 2016.

Principal activities

The principal activities of United Firefighters' Union of Australia - Victorian Branch during the financial year was to represent professional firefighters and their safety.

No significant change in the nature of these activities occurred during the year.

Operating result

The operating surplus of the Union for the financial year amounted to \$781,689 (2015 surplus: \$1,538,649). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant changes in state of affairs

No significant changes in the Union's state of affairs occurred during the financial year.

After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

Rights of members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

Superannuation officeholders

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) is a director of a company that is trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other prescribed information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisation under section 244 of the Fair Work (Registered Organisations) Act 2009 was 3,524.
- (b) the number of persons who were at the end of the financial year employees of the organisation including both full and part time employees measured on a full time equivalent basis was 10.6.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

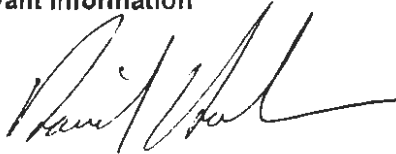
OPERATING REPORT
30 JUNE 2016

- (c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

Names	Position	Period
David Hamilton	President	1 July 2015 – 30 June 2016
Peter Marshall	Secretary	1 July 2015 – 30 June 2016
Danny Ward	Vice President	1 July 2015 – 30 June 2016
Ken Brown	Junior Vice President	1 July 2015 – 30 June 2016
Brendan Angwin	Trustee	1 July 2015 – 30 June 2016
Cody Woodyatt	Trustee	1 July 2015 – 30 June 2016
Michael McGuinness	Trustee	1 July 2015 – 30 June 2016
Tony Martin	Trustee	1 July 2015 – 30 June 2016
Robert Groves	Branch Committee of Management	1 July 2015 – 30 June 2016
Anthony Trimble	Branch Committee of Management	1 July 2015 – 30 June 2016
James Kefalas	Branch Committee of Management	1 July 2015 – 30 June 2016
Chris Cleary	Branch Committee of Management	1 July 2015 – 30 June 2016
David Blundell	Branch Committee of Management	1 July 2015 – 30 June 2016
Mick Tisbury	Branch Committee of Management	1 July 2015 – 30 June 2016
Robert Psalia	Branch Committee of Management	1 July 2015 – 30 June 2016

Other relevant information

Nil.



Signed for and on behalf of the Committee of Management:

DAVID HAMILTON
PRESIDENT

Dated this *30th* day of *November* 2016.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

COMMITTEE OF MANAGEMENT CERTIFICATE

On the.....30th.....day of.....November.....2016.....the Committee of Management of the United Firefighters' Union of Australia - Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2016.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations Act) 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) no information was sought by any member of the reporting unit or General Manager under the Fair Work (Registered Organisations Act) 2009; and
 - (vi) no orders have been made by the Fair Work Commission under the Fair Work (Registered Organisations Act) 2009.
- (f) In relation to the recovery of wages activity
 - (i) The financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) The committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than that reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) That prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

COMMITTEE OF MANAGEMENT CERTIFICATE

- (v) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recorded from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is made in accordance with a resolution of the Committee of Management.

DAVID HAMILTON
PRESIDENT



Dated this 30th day of November 2016.

**INDEPENDENT AUDITOR REPORT
TO THE MEMBERS OF UNITED FIREFIGHTERS' UNION OF AUSTRALIA – VICTORIAN BRANCH**

We have audited the financial report of United Firefighters' Union of Australia – Victorian Branch, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members' equity, statement of cash flows and recovery of wages activity for the year then ended, the committee of management certificate, and notes comprising a summary of significant accounting policies and other explanatory information.

Committee of management's responsibility for the financial report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Declaration

We are an approved auditor for the purposes of Fair Work (Registered Organisations) Act 2009 and we are a member of the Chartered Accountants Australia and New Zealand and hold a current Certificate of Public Practice.

KIDMANS PARTNERS AUDIT PTY LTD – ABN 46 143 986 841

[incorporating Harmon Partners]
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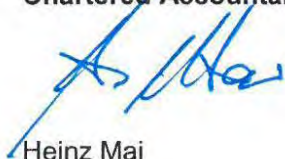
Auditor's Opinion

In our opinion, under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a. the Australian Accounting Standards;
- b. in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of General Manager of FWC, including;
 1. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 2. any donations or other contributions deducted from recovered money; and
- c. any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

We are also of the opinion that management's use of the going concern basis of accounting in the preparation of the financial statements was appropriate.

Kidmans Partners Audit Pty Ltd
Chartered Accountants



Heinz Mai
Director

Dated at Melbourne this 30th day of November 2016

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	<u>2016</u> \$	<u>2015</u> \$
INCOME			
Membership dues	3(a)	4,793,830	4,429,784
Member events		108,261	-
Other income	3(b)	160,855	606,199
		<u>5,062,946</u>	<u>5,035,983</u>
EXPENDITURE			
Administration expenses		406,868	341,842
Affiliation fees and levies	4(c)	284,776	272,427
Campaign, dispute and awareness costs		1,238,929	925,110
Donations	4(d)	28,553	30,924
Education and promotion		63,520	20,278
Employee benefits expense	4(a)	1,425,672	1,419,949
Executive/shop stewards and conference expenses		181,354	115,166
Insurance		13,577	12,746
Motor vehicle expenses		74,318	88,480
Members' welfare		49,690	40,215
Office occupancy expenses		110,230	113,361
Professional fees	5	82,264	86,493
Member events		231,136	-
Social committee expenses		90,370	30,343
		<u>4,281,257</u>	<u>3,497,334</u>
OPERATING SURPLUS/(DEFICIT)		781,689	1,538,649
Accumulated surplus at beginning of year		<u>2,050,431</u>	<u>511,782</u>
ACCUMULATED SURPLUS AT 30 JUNE 2016		<u>2,832,120</u>	<u>2,050,431</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	<u>2016</u> \$	<u>2015</u> \$
ASSETS			
Current assets			
Cash and cash equivalents	6	3,416,438	2,358,997
Trade and other receivables	7	202,392	220,824
Total current assets		<u>3,618,830</u>	<u>2,579,821</u>
Non-current assets			
Other financial assets	8	3,365	3,365
Property, plant and equipment	9	2,555,600	2,574,121
Total non-current assets		<u>2,558,965</u>	<u>2,577,486</u>
TOTAL ASSETS		<u>6,177,795</u>	<u>5,157,307</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	452,714	232,361
Provisions	11	532,908	524,676
Other liabilities	12	43,789	40,300
Total current liabilities		<u>1,029,411</u>	<u>797,337</u>
Non-current liabilities			
Provisions	11	6,725	-
Total current liabilities		<u>6,725</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,036,136</u>	<u>797,337</u>
NET ASSETS		<u>5,141,659</u>	<u>4,359,970</u>
MEMBERS' EQUITY			
Asset revaluation reserve	13	2,309,539	2,309,539
Members funds	14	2,832,120	2,050,431
TOTAL MEMBERS' EQUITY		<u>5,141,659</u>	<u>4,359,970</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Members funds	Asset revaluation reserve	Total
	\$	\$	\$
Balance at 1 July 2014	511,782	2,309,539	2,821,321
Surplus attributable to members	1,538,649	-	1,538,649
Balance at 30 June 2015	2,050,431	2,309,539	4,359,970
Surplus attributable to members	781,689	-	-
Balance at 30 June 2016	2,832,120	2,309,539	5,141,659

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	<u>2016</u> \$	<u>2015</u> \$
Cash from operating activities:			
Receipts from members and related activities		5,467,453	5,558,794
Payments to suppliers and employees		(4,376,506)	(4,262,302)
Interest received		15,203	19,595
Net cash provided by operating activities	16(a)	<u>1,106,150</u>	<u>1,316,087</u>
Cash flows from investing activities:			
Payment for property, plant and equipment		(48,709)	(28,274)
Proceeds from sale of property plant and equipment		-	-
Net cash provided used in investing activities		<u>(48,709)</u>	<u>(28,274)</u>
Net increase/(decrease) in cash held		1,057,441	1,287,813
Cash at beginning of financial year		<u>2,358,997</u>	<u>1,071,184</u>
Cash at end of financial year	6	<u>3,416,438</u>	<u>2,358,997</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Revenue:		
Amounts recovered from employers in respect of wages etc.	84,854	77,892
Interest received on recovered money	-	-
Total expenditure	<u>84,854</u>	<u>77,892</u>
Expenditure:		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
United Firefighters' Union of Australia – Victorian Branch:		
Emergency Services & State Super Fund (superannuation guarantee)	10,452	10,245
Emergency Services & State Super Fund (salary sacrifice)	4,791	4,668
Deductions of fees or reimbursement of expenses	-	-
Amounts distributed to workers as recovered monies	<u>69,611</u>	<u>62,979</u>
Total expenditure	<u>84,854</u>	<u>77,892</u>
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	1	1
Aggregate payables to workers attributable to recovered monies but not yet distributed:		
Payable balance	-	-
Number of workers the payable relates to	1	1
Fund or account operated for recovery of wages:		
Nil	-	-

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

This financial report covers United Firefighters' Union of Australia - Victorian Branch as an individual entity. The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

Basis of preparation

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, every 3-5 years, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to members funds.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5 %
Furniture, fixtures and fittings	7.50 - 30.00 %
Motor vehicles	15.00 - 22.50 %
Office equipment	7.50 - 40.00 %
Low value asset pool	18.75 - 37.50 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(c) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Financial assets

Financial assets are classified into the following specified categories: held-to-maturity investments, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(e) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets carrying amount and the present value of future cash flows, discounted at the financial asset's original effective interest rate.

(f) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

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Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Employee benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. A probability of the future payout was determined.

(h) Provisions

Provisions are recognised when the union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(i) Income taxes

No provision for income tax has been raised as the Union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(j) Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from membership dues is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Rental income is recognised on a straight-line basis over a period of lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Borrowing costs

All borrowing costs are recognised in profit and loss the period in which they are incurred.

(l) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position

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but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Significant accounting judgements and estimates

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(o) Fair value measurement

The United Firefighters Union of Australia - Victoria Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17(b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the United Firefighters Union of Australia Victoria Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(p) Going concern

United Firefighters Union of Australia - Victoria Branch is not reliant on the agreed financial support of another reporting unit to continue on a going basis.

United Firefighters Union of Australia - Victoria Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going basis.

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(q) Application of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have not affected the amounts reported in these financial statements.

<u>Standard</u>	<u>Impact on presentation and disclosure</u>
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
AASB 2015-3	Amendments to Australian accounting standards arising from the Withdrawal of AASB 1031 Materiality

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 9 'Financial Instruments'	1 January 2018	30 June 2018
AASB 9 Includes requirements for the classification and measurement of financial assets		
AASB 15 'Revenue from contracts with customer'	1 January 2018	30 June 2018
AASB 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.		
AASB 16 'Lease'	1 January 2019	30 June 2019
AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.		

The Committee of management anticipates that the adoption of the above standard or interpretation will not have an impact on the Union's financial instruments.

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2 NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit;
- (3) A reporting unit must comply with an application made under subsection (1).

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	<u>2016</u>	<u>2015</u>
	\$	\$
3 INCOME		
(a) Levies		
Member subscriptions	3,621,563	3,494,463
Litigation fees	1,007,610	783,330
Social club welfare	10,475	330
Fighting Fund Levy	154,182	151,661
	<u>4,793,830</u>	<u>4,429,784</u>
(b) Other income		
Rental income	18,655	18,655
Interest received	15,203	19,595
Contract Income (i)	84,854	77,892
Gains/(Losses) on disposal of property, plant and equipment	-	(1,228)
Accounting services	12,000	
Reimbursement of legal fees from related parties	-	-
Arbitration settlement	-	484,045
Miscellaneous income	30,143	7,240
	<u>160,855</u>	<u>606,199</u>
(c) Capitation fees		
Capitation fees	<u>-</u>	<u>-</u>
(d) Grants or Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>

(i) Reimbursement from the United Firefighters Union of Australia of wages paid to National Secretary by the United Firefighters Union of Australia – Victorian Branch.

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	<u>2016</u>	<u>2015</u>	
	\$	\$	
4 EXPENSES			
(a) Employee expense			
 Holders of office:			
Wages and salaries	338,671	336,157	
Superannuation	51,095	44,947	
Honorariums	61,647	83,738	
Movement in leave and other entitlements	50,492	(9,142)	
Subtotal employee expenses – holders of office	<u>501,905</u>	<u>455,700</u>	
 Employees other than office holders:			
Wages and salaries	734,359	751,736	
Superannuation	81,001	96,502	
Movement in leave and other entitlements	(35,535)	27,640	
Subtotal employee expenses - employees other than holders of office	<u>779,825</u>	<u>875,878</u>	
Other employee expenses	143,942	88,371	
 Total employee expenses	<u><u>1,425,672</u></u>	<u><u>1,419,949</u></u>	
(b) Capitation fees			
United Firefighters Union of Australia 4(c)	241,520	230,015	
Total capitation fees	<u><u>241,520</u></u>	<u><u>230,015</u></u>	
(c) Affiliation fees			
	<u>Type</u>		
United Firefighters' Union of Australia	Affiliation fees	241,520	230,015
Victorian Trades Hall Council	Affiliation fees	12,206	14,900
Victorian Labour	Affiliation fees	15,281	14,662
Geelong Trades Hall Council	Affiliation fees	335	328
Gippsland Trades & Labour Council Inc	Affiliation fees	192	180
Goulburn Valley Trades & Labour Council	Affiliation fees	42	34
Ballarat Trades Hall	Affiliation fees	472	347
Bendigo Trades Hall Council & Literary Institute	Affiliation fees	385	106
Australian Council of Trade Unions ⁽¹⁾	Affiliation fees	14,009	11,412
South West Trades & Labour Council Inc	Affiliation fees	113	113
Australian Labour Party	Affiliation fees	220	330
		<u>284,776</u>	<u>272,427</u>

⁽¹⁾ The Australian Council of Trade Unions (ACTU) affiliation fee is paid to the United Firefighters' Union of Australia National office and is then forwarded on to the ACTU on behalf of the branch. The United Firefighters' Union of Australia – Victorian

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(d) Donations:		
Total paid that were \$1,000 or less	5,975	8,124
Total paid that exceeded \$1,000	22,578	22,800
	<u>28,553</u>	<u>30,924</u>
(e) Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
(f) Depreciation expense		
Depreciation of buildings	22,569	22,569
Depreciation of plant and equipment	25,853	31,847
Depreciation of motor vehicles	16,675	22,112
	<u>65,097</u>	<u>76,528</u>
(g) Administration and Conference Expenses		
Consideration to employers for payroll deductions		
Compulsory Levies		
Fees/allowances – meeting and conferences		
Conference and meeting expenses	181,354	115,167
	<u>181,354</u>	<u>115,167</u>
(h) Rental expense on operating leases		
Minimal lease payments	11,266	14,736
	<u>11,266</u>	<u>14,736</u>
(i) Other losses		
Loss on disposal of property, plant and equipment	-	1,228
	<u>-</u>	<u>1,228</u>
(j) Legal costs		
Litigation	777,010	538,903
Other legal matters	-	-
	<u>777,010</u>	<u>538,903</u>

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	<u>2016</u>	<u>2015</u>
	\$	\$
5 AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Union for:		
Audit of the financial report	14,000	14,000
Other services	-	-
Total Auditor's remuneration	14,000	14,000
The auditor of United Firefighters' Union of Australia – Victorian Branch is Kidmans Partners.		
6 CASH AND CASH EQUIVALENTS		
Cash on hand	200	50
Cash at bank	3,416,238	2,358,947
	3,416,438	2,358,997
7 TRADE AND OTHER RECEIVABLES		
Receivables from other reporting units		
United Firefighters' Union of Australia	11,000	1,100
United Firefighters' Union of Australia – Tasmanian Branch	-	1,126
	11,000	2,226
Less provision for doubtful debts	-	-
Net receivables from other reporting units	11,000	2,226
Other trade receivables	126,182	146,059
Less provision for doubtful debts	(16,563)	(26,473)
Other receivables		
GST receivable	-	-
Sundry receivables	-	-
Receivables from other related parties	81,773	99,012
	202,392	220,824
8 FINANCIAL ASSETS		
Investments	3,365	3,365

Financial assets comprise of 3,365 Units in ACTU Financial Services Pty Ltd and for the ACTU Trusts are paid up to 40% of the par value of units.

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	<u>2016</u>	<u>2015</u>
	\$	\$
9 PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land		
At fair value	1,597,222	1,597,222
Buildings		
At fair value	902,778	902,778
Accumulated depreciation	(93,567)	(70,998)
	<u>809,211</u>	<u>831,780</u>
Total land and buildings	<u>2,406,433</u>	<u>2,429,002</u>

An independent valuation was performed by Harrington Earl Estate Agents in May 2012 to determine the fair value of the Union's land and buildings. The valuation was determined by reference to recent market transactions on an arm's length term. Had the Union's land and buildings been measured on a historical cost basis, their carrying amount would be as follows:

Freehold land	100,000	100,000
Buildings	192,078	192,078
	<u>292,078</u>	<u>292,078</u>

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	<u>2016</u>	<u>2015</u>
	\$	\$
PROPERTY, PLANT AND EQUIPMENT (continued)		
Furniture, fixture and fittings		
At cost	97,693	115,955
Accumulated depreciation	(58,180)	(74,938)
	39,513	41,017
 Motor vehicles		
At cost	131,974	131,974
Accumulated depreciation	(81,734)	(65,059)
	50,240	66,915
 Office equipment		
At cost	131,993	144,739
Accumulated depreciation	(84,441)	(118,421)
	47,552	26,318
 Computer software		
At cost	-	41,209
Accumulated depreciation	-	(41,209)
	-	-
 Low value asset pool		
At cost	24,210	25,168
Accumulated depreciation	(12,348)	(14,299)
	11,862	10,869
 Total plant and equipment	149,167	145,119
Total property, plant and equipment	2,555,600	2,574,121

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9 PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land at fair value	Buildings at fair value	Furniture, fixtures and fittings at cost	Motor vehicles at cost	Office equipment at cost	Computer software at cost	Low value asset pool	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost or valuation								
Balance at 1 July 2014	1,597,222	902,778	114,307	112,207	142,621	41,209	24,050	2,934,394
Additions	-	-	3,291	19,767	3,255	-	1,962	28,275
Disposals	-	-	(1,643)	-	(1,137)	-	(844)	(3,624)
Balance at 30 June 2015	1,597,222	902,778	115,955	131,974	144,739	41,209	25,168	2,959,045
Additions	-	-	4,500	-	38,139	-	6,070	48,709
Disposals	-	-	(22,762)	-	(50,885)	(41,209)	(7,028)	(121,884)
Balance at 30 June 2016	1,597,222	902,778	97,693	131,974	131,993	-	24,210	2,885,870
Accumulated depreciation								
Balance at 1 July 2014	-	(48,429)	(69,818)	(42,948)	(99,021)	(41,209)	(9,367)	(310,792)
Depreciation expense	-	(22,569)	(6,065)	(22,111)	(20,158)	-	(5,624)	(76,527)
Disposals	-	-	945	-	758	-	692	2,395
Balance at 30 June 2015	-	(70,998)	(74,938)	(65,059)	(118,421)	(41,209)	(14,299)	(384,924)
Depreciation expense	-	(22,569)	(5,573)	(16,675)	(15,658)	-	(4,603)	(65,078)
Disposals	-	-	22,331	-	49,638	41,209	6,554	119,732
Balance at 30 June 2016	-	(93,567)	(58,180)	(81,734)	(84,441)	-	(12,348)	(330,270)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
10 TRADE AND OTHER PAYABLES		
Trade payables	145,337	47,773
Wages and salaries	27,520	29,508
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	152,939	15,960
Other payables:		
GST Payable	48,316	85,157
PAYG Withholding		
	25,212	33,979
Superannuation	12,804	-
Other	40,586	19,984
	<u>452,714</u>	<u>232,361</u>
Payables to other reporting units	<u>-</u>	<u>-</u>
Settlement is usually made within 30 days	<u>452,714</u>	<u>232,361</u>
11 PROVISIONS		
Employee provisions		
Office holders:		
Annual leave	340,928	300,773
Rostered day off leave	53,481	37,795
Long service leave	97,814	83,562
Subtotal employee provisions – office holders	<u>492,223</u>	<u>422,130</u>
Employees other than office holders:		
Annual leave	40,685	84,431
Long service leave	6,726	18,115
Subtotal employee provisions – employees other than office holders	<u>47,411</u>	<u>102,546</u>
Total employee provisions	<u>539,634</u>	<u>524,676</u>
Current	<u>532,908</u>	<u>524,676</u>
Non Current	6,726	-
Total employee provisions	<u>539,634</u>	<u>524,676</u>

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	<u>2016</u>	<u>2015</u>
	\$	\$
12 OTHER LIABILITIES		
Members fees received in advance	<u>43,789</u>	<u>40,300</u>
13 RESERVES		
Asset revaluation reserve		
Balance at beginning of year	<u>2,309,539</u>	<u>2,309,539</u>
Balance at end of year	<u>2,309,539</u>	<u>2,309,539</u>
The asset revaluation reserve records revaluations of non-current assets.		
14 MEMBERS FUNDS		
Opening members funds	2,050,431	511,782
Surplus/(Deficit) for the year	<u>781,689</u>	<u>1,538,649</u>
Closing members funds	<u>2,832,120</u>	<u>2,050,431</u>

15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Firefighters' Union of Australia – Victorian Branch are committed to renovating the building at 410 Brunswick Street, Fitzroy. The funding for the renovation cost will be sourced from current funds. As at the date of this report there are no contracts or estimates available.

There were no contingent liabilities or contingent assets as at balance sheet date.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
16 CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations		
Net surplus/(deficit) for the period	781,689	1,538,649
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	65,097	76,527
(Gain)/Loss on disposal of plant and equipment	2,133	1,228
Doubtful debt expense	(9,009)	(7,184)
Wage accrual	27,520	-
Reconciliation of cash flow from operations (continued)		
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	27,441	26,435
Increase/(decrease) in trade payables and accruals	192,833	(347,463)
Increase/(decrease) in provisions	14,957	18,497
Increase/(decrease) in other liabilities	3,489	9,398
	<u>1,106,150</u>	<u>1,316,087</u>

(b) Cash flows with related parties

The following amounts relate to cash inflows/outflows from related party entities. The cash flows presented are on a gross basis including GST.

Cash flows from operating activities

Receipts from members and related activities include the following amounts received from related parties:

United Firefighters' Union of Australia	Accounting	13,200	-
United Firefighters' Union of Australia	Rent and other services	20,520	18,655
United Firefighters' Union of Australia	Contract services	93,339	77,892
		<u>127,059</u>	<u>96,547</u>

Payments to suppliers and employees include the following amounts paid to related parties:

United Firefighters' Union of Australia	Affiliation fees	<u>265,672</u>	<u>253,017</u>
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UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
17 FINANCIAL RISK MANAGEMENT		
<p>The Branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.</p> <p>The totals for each category of financial instrument are as follows:</p>		
Cash and cash equivalents	<u>3,416,438</u>	<u>2,358,997</u>
Loans and receivables		
Trade and other receivables	<u>202,392</u>	<u>220,824</u>
Fair value through profit or loss		
Investments	<u>3,365</u>	<u>3,365</u>
Carrying amount of financial assets	<u>3,622,195</u>	<u>2,583,186</u>
Financial liabilities		
Amortised cost		
Trade and other payables	452,714	232,361
Other liabilities	<u>43,789</u>	<u>40,300</u>
Carrying amount of financial liabilities	<u>496,503</u>	<u>272,661</u>

Specific financial risk exposures and management

The main risks the Branch is exposed to through its financial instruments are liquidity risk and market risk through interest rate risk.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
17 FINANCIAL RISK MANAGEMENT (continued)		
(a) Net income and expense from financial assets and financial liabilities		
Cash and cash on hand		
Interest revenue	15,203	19,595
Net gain/(loss) on cash and cash on hand	<u>15,203</u>	<u>19,595</u>
Net gain/(loss) from financial assets	<u>15,203</u>	<u>19,595</u>
Other financial liabilities		
Interest expense	-	-
Net gain/(loss) financial liabilities at amortised cost	<u>-</u>	<u>-</u>
Net gain/(loss) from financial liabilities	<u>-</u>	<u>-</u>

(b) Fair value of financial instruments

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	3,416,438	3,416,438	2,358,997	2,358,997
Loans and receivables	202,392	202,392	220,824	220,824
Investments	3,365	3,365	3,365	3,365
Total	<u>3,622,195</u>	<u>3,622,195</u>	<u>2,583,186</u>	<u>2,583,186</u>
Financial liabilities				
Trade and other payables	452,714	452,714	232,361	232,361
Other liabilities	43,789	43,789	40,300	40,300
Total	<u>496,503</u>	<u>496,503</u>	<u>272,661</u>	<u>272,661</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
17 FINANCIAL RISK MANAGEMENT (continued)		

(c) Credit risk

Credit risk refers to the risk of any default on any type of debt owing to the Branch. The Branch is exposed to credit risk on its member subscriptions, trade debtors, and other debtors.

The following table illustrates the Branches gross exposure to credit risk, excluding any collateral or credit enhancements:

Financial assets		
Trade and other receivables	202,392	220,824
Total	<u>202,392</u>	<u>220,824</u>

Credit quality of financial instruments not past due or individually determined as impaired

	2016		2015	
	Not past due or nor impaired	Past due or Impaired	Not past due or nor impaired	Past due or Impaired
	\$	\$	\$	\$
Trade and other receivables	81,773	137,182	99,012	148,285
	<u>81,773</u>	<u>137,182</u>	<u>99,012</u>	<u>148,285</u>

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	70,371	14,095	7,704	45,012	137,182
	<u>70,371</u>	<u>14,095</u>	<u>7,704</u>	<u>45,012</u>	<u>137,182</u>

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	77,866	9,148	5,208	29,590	121,812
	<u>77,866</u>	<u>9,148</u>	<u>5,208</u>	<u>29,590</u>	<u>121,812</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

17 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Branch manages risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile; and
- Obtaining funding from a variety of sources.

Financial liability and financial asset maturity analysis

	2016			
	On demand \$	< 1 year \$	1 – 5 years \$	Total \$
Financial assets – cash flow realisable				
Cash and cash equivalents	1,147,606	2,268,832	-	3,416,438
Trade and other receivables	-	202,392	-	202,392
Total anticipated inflows	1,147,606	2,471,224	-	3,618,830
Financial liabilities due for payment				
Trade and other payables	-	452,714	-	452,714
Other liabilities	-	43,789	-	43,789
Total contractual outflows	-	-	-	-
Net inflow/(outflow) on financial instruments	-	496,503	-	496,503
	2015			
	On demand \$	< 1 year \$	1 – 5 years \$	Total \$
Financial assets – cash flow realisable				
Cash and cash equivalents	1,193,494	1,165,453	-	2,358,947
Trade and other receivables	-	220,824	-	220,824
Total anticipated inflows	1,193,494	1,386,277	-	2,579,771
Financial liabilities due for payment				
Trade and other payables	-	232,361	-	232,361
Other liabilities	-	40,300	-	40,300
Total contractual outflows	-	272,661	-	272,661
Net inflow/(outflow) on financial instruments	1,193,494	1,113,616	-	2,307,110

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
17 FINANCIAL RISK MANAGEMENT (continued)		

(e) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect cash flows or the fair value of fixed rate financial instruments.

Sensitivity analysis of the risk that the Union is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	Interest income	+/-0.5%	14,438	14,438

Sensitivity analysis of the risk that the Union is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	Interest income	+/-0.5%	8,631	8,631

18 EVENTS AFTER BALANCE DATE

There have not been any material events between the balance date and the date of signing of the operating report.

19 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Revenue transactions:

Rental and other services income	18,790	18,655
Accounting Services	12,000	
Contract services ⁽¹⁾	84,854	77,892
Total revenue transactions with related parties	<u>115,644</u>	<u>96,547</u>

(1) From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
19 RELATED PARTY TRANSACTIONS (continued)		
Expense transactions:		
Affiliation fees	(241,520)	(230,015)
	<hr/>	<hr/>
The following balance was outstanding at the end of the reporting period:		
Trade receivables		
United Firefighters Union of Australia	-	1,100
United Firefighters Union of Australia – Tasmanian Branch	-	1,126
	<hr/>	<hr/>
	-	2,226
	<hr/>	<hr/>
Prior year transactions		
Retrospective disclosure of the United Firefighters Union-Victorian branch legal expenditure is required in respect of legal proceedings involving D.Blundell whilst he was serving as a Branch Committee of Management member and should have been disclosed in accordance with related party disclosures under AASB124. The related party transactions should have been disclosed in both the 2013/14 and the 2014/15 Financial Years and are as follows:		
Expense transactions:		
30 June, 2014	\$19,327	
30 June, 2015	<u>\$7,150</u>	
Total	<u>\$26,477</u>	
20 KEY MANAGEMENT PERSONNEL		
The total remuneration paid to elected officials of the Branch during the period are as follows:		
Short-term employee benefits:		
Salary and wages	338,671	336,157
Annual leave accrued	31,181	(19,025)
Rostered days off accrued	8,774	4,353
Total short-term employee benefits	<hr/>	<hr/>
	378,626	321,485
Post-employment benefits		
Superannuation	45,239	44,947
Total post-employment benefits	<hr/>	<hr/>
	45,239	44,947
Other long-term benefits		
Long service leave accrued	14,252	5,529
Total other long-term benefits	<hr/>	<hr/>
	14,252	5,529
	<hr/>	<hr/>
Total employee benefits	<u>438,117</u>	<u>371,960</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
ABN 74 030 569 265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

21 UNION DETAILS

(a) Registered office

The registered office of the Union is:

United Firefighters' Union of Australia - Victorian Branch
410 Brunswick Street
Fitzroy 3065
Victoria

(b) Principal place of business

The principal place of business is:

410 Brunswick Street
Fitzroy 3065
Victoria



8 December 2016

Mr Peter Marshall
Branch Secretary
United Firefighters' Union of Australia-Victorian Branch

Sent via email: p.marshall@ufuvic.asn.au

Dear Mr Marshall,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the United Firefighters' Union of Australia-Victorian Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Peter Marshall
Branch Secretary
United Firefighters' Union of Australia-Victorian Branch
By email: p.marshall@ufuvic.asn.au

Dear Mr Marshall,

**Re: Lodgement of Financial Report - [FR2016/262]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Firefighters' Union of Australia-Victorian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

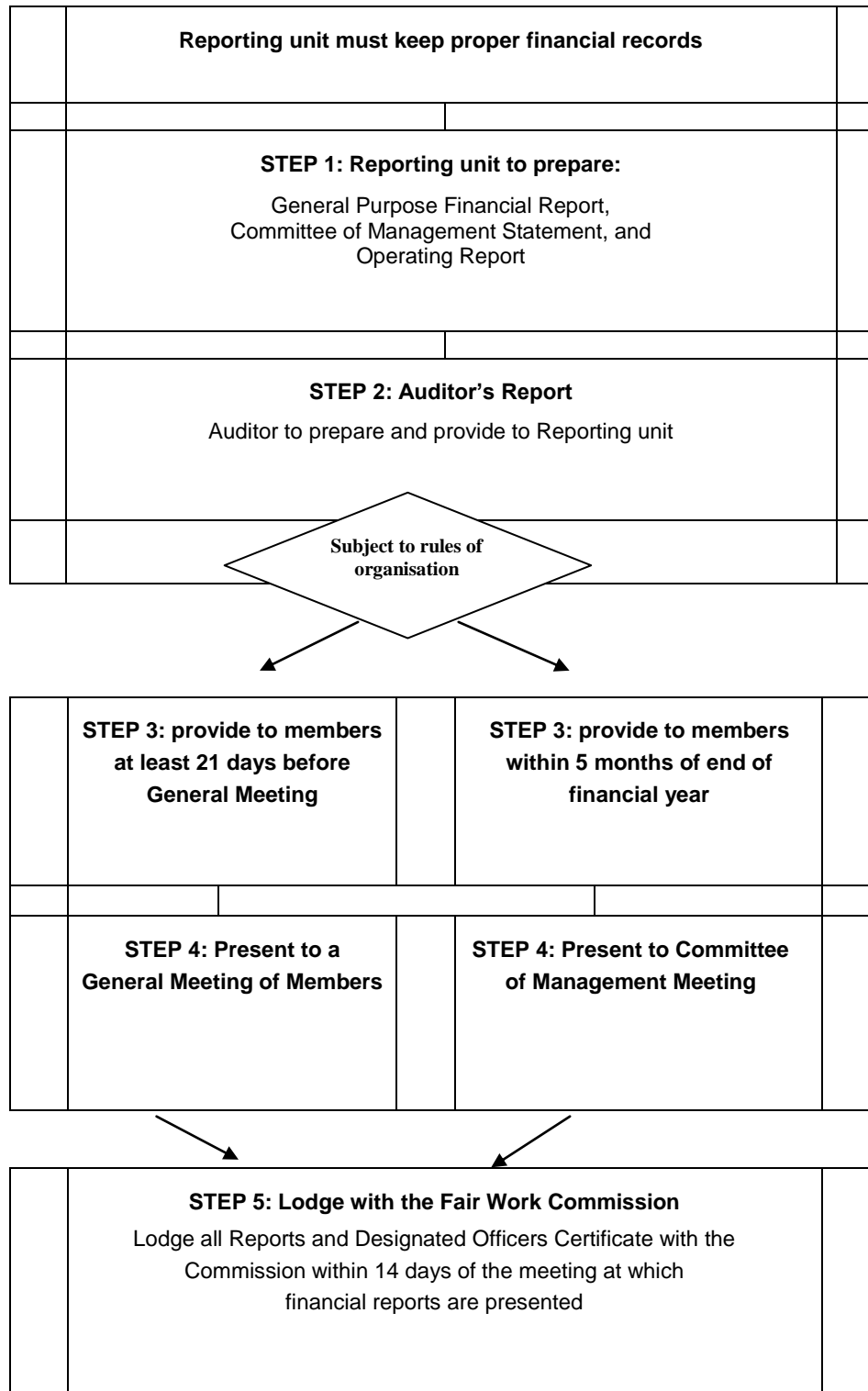


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au